

ECONOMIC DEFENSE INTELLIGENCE COMMITTEE

Intelligence Request No. 22
Control No. 2215
3 February 1956

SUBJECT

Sino-Soviet Bloc Imports and Attempted Procurement of
Copper, 1954-1955.

REQUESTING AGENCY AND DATE

CIA, 3 February 1956

DEADLINE

As soon as possible

PROPOSED USE

To produce a coordinated evaluation of the magnitude of Soviet
Bloc copper imports and efforts to obtain copper.

REFERENCES

JOC Document No. 1/1650.7, 1 April 1955, as corrected 6 April 1955
and 18 April 1955.

ACTION DESIRED

1. The attached draft report, prepared by CIA, is transmitted
for information and comment by EDIC agencies.
2. The figures used in this report are tentative and are submitted
as a basis for discussion and coordination.

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Distribution:

Cat. B - (8-12, 14)
D - (All)

Acting Executive Secretary

~~S-E-C-R-E-T~~

1 February 1956

SINO-SOVIET BLOC IMPORTS AND ATTEMPTED PROCUREMENT OF COPPER
1954 - 1955

1. In the first year following the decontrol of bare copper wire, Sino-Soviet Bloc production of copper in all forms was approximately 500 thousand tons. Known Bloc imports made up more than 20 percent of this amount.

2. About 25 thousand tons of embargoed copper were shipped to the Bloc during the first year following the decontrol of bare copper wire. Attempted diversions of at least 31 thousand tons were interrupted. In addition, there were numerous offers and other procurement attempts, totalling 146 thousand tons, of which the outcome is unknown. Some of these attempts presumably succeeded.

3. Licenses issued for the export of bare copper wire to the Bloc in the first year of decontrol comprised about 94 thousand tons. (An additional 20 thousand tons were licensed by the U.K. for shipment in 1956.) Of this, at least 64 thousand tons were actually shipped. An additional 44 thousand tons of copper in other forms were shipped to the Bloc during the same period. Bare wire made up only about 10 percent of all copper shipped to the Bloc before decontrol, and about 60 percent in the first year of decontrol. Known shipments of bare wire have increased at the same time as diversions have fallen off, so that, in spite of the tightening world supply, known Bloc imports of copper in all forms have declined by only about 20 percent from the 1954 level and licensing data suggest that they may have exceeded that level (see Table below).

The shift in Bloc procurement from illegal to legal forms of copper may be explained in part by the greater effectiveness of enforcement since the introduction of TAC and British Transactions Controls. A more likely reason, however, is simply that it is cheaper to buy the legal forms.

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ESTIMATED BLOC IMPORTS AND ATTEMPTED DIVERSIONS OF COFFEE, 1954 - 55
(in thousands of metric tons)

	1954			1955		First year of decontrol (16 Aug 1954-31 Aug 1955)
	1 Jan- 15 Aug	16 Aug- 31 Dec	Total	1 Jan-31 Aug	16 Aug-31 Aug	
<u>Shipments</u>						
Covered wire	11	4	15	8	12	20
Bare wire	7	20	27	44	64	108
Embargoed types	53	20	73	5	25	78
From Finland (all types)	6	3	9	4	7	11
Total	77	47	124	61	106	167
<u>Licenses (bare wire only)</u>						
		15	45	69	94	139
<u>Procurement Efforts</u>						
Interrupted	75	12	87	19	31	118
Outcome unknown	103	71	174	75	146	220

* Derived from Foreign Service reports. The figure of 40 thousand tons used in COCOM document No. 1816.5036 is based upon licensing data rather than reported shipments.

** Foreign Service reports indicate total wire shipments of 34 thousand tons for the first 6 months of 1955 but this figure is believed to be incomplete.

*** An additional 20 thousand tons were licensed by UK for shipment in 1956.

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